

Changing EU rules

One of the most bizarre features of the few Remain supporters who come daily to this site to rubbish anything good the U.K. does or could do with its freedoms is their refusal to analyse the impact of past EU laws and policies. They neither want us to change any of them, nor admit this big panoply of law has been guiding and controlling us in so many ways. As during the referendum itself the pro EU side always played down the ambitious scope of economic, social and political union and the extent of EU power already achieved in its pursuit.

This week they have been in denial that the energy system we have followed came from the EU and was based around the twin objectives of cutting our domestic supply of coal, oil and gas to help net zero policies whilst making us more dependent on imports by encouraging many more interconnectors, pipes and cables. They ignore the recent speech of Mrs Von Der Leyden, EU Commission President, widely condemning the current EU legal and regulatory framework for energy and calling for urgent and radical change. I agree with her and want the U.K. to get on with its own national changes to the common EU regime we currently follow. We can serve our own interests and help the EU by working to restore national self sufficiency.

In all the debates I undertook over staying or leaving the EU I never once was able to debate the EU vision of Union unless it was with someone from the continent. The refusal to admit the truth about ever closer Union took away the argument that European countries would best be governed together. That may well make sense for Belgium, Netherlands and Austria, and for France and Germany, given their histories. If their voters want it I wish them well with it. It never seemed likely or attractive to many U.K. people given our past which is I guess why the Remain contributors here still try to pretend the EU was just some glorified trade arrangement for independent states!

Time to reverse EU damage to our industries and economy

It is necessary for government to offer some cash help to business to stave off more closures forced by sky high energy bills. I do not welcome more public spending on subsidies, but it is the price of failure of the EU energy policy we have been following.

I want the Business Secretary tomorrow to set out a much better U.K. energy strategy that puts domestic self sufficiency and security of supply back as the prime aim, replacing the 2019 EU legal framework based on more imports from EU countries via interconnectors, interdependence and ultimate reliance

on EU imports of Russian gas. Relying on more imports from an energy short Union of states was always a dangerous risk to run. The EU claimed to put decarbonisation as the main aim, only to need more coal and gas when the wind refused to blow.

In a necessary drive to cut the costs of energy he should confirm the removal of the green levies, suspend the carbon tax and carbon emissions trading , with the Chancellor removing VAT on domestic fuel .We need a new regulatory framework for power generation with more back up for intermittent renewables.

There are so many industries damaged by EU laws still in place in our law codes. The Business Secretary could abolish the droit du suite and VAT impositions the EU used to divert part of the global art market from London to New York.Maybe they thought it would help Paris but it just made the whole EU less competitive.

He could lower costs of buying a home by removing anti money laundering checks from any U.K. citizen buying and selling their main home and using a U.K. regulated bank. He could make energy certificates for homes a matter of choice for buyers and sellers.

He could work with Defra to use farm grants to promote growing more food here and to foster investment in more glasshouses and new farming techniques instead of subsidising wilding policies, and relying on more imports from the EU.

He could simplify the expensive bureaucracy created by the EU data protection legislation.

He could repeal the EU Ports Regulation which was widely opposed by our ports when it was introduced. It gets in the way of port investment and expansion.

He could repeal the railway rules which require the separation of track ownership from train ownership.Integrated ownership of routes by private companies should be an option.

He with the Treasury should allow more people self employed tax status, removing the penal elements of IR 35.

He should repeal the on line digital tax.

Treasury orthodoxy and Black Wednesday

As published in Telegraph:

The new Prime Minister and Chancellor are clear that we need to challenge Treasury orthodoxy. They want to do so not because they want more inflation, or care less about the prudent management of the public finances than those

who went before. They recognise that the current orthodoxy has failed. It has given us 10 per cent inflation and put us through several violent cycles in the past few decades that could have been avoided.

Indeed, yesterday marked the 30th anniversary of Black Wednesday, when the UK crashed out of the European Exchange Rate Mechanism (ERM). Part of today's orthodoxy is derived from the self-same Maastricht Treaty thinking on debt and deficits which caused our grief in 1992, allied to the exchange rate requirements to prepare us for the euro.

The ERM was a case study in Treasury groupthink. It recommended joining the ERM strongly to successive chancellors. John Major finally drove the policy through against a prime minister who knew it was wrong. I had advised Mrs Thatcher that the ERM would be destabilising, lurching from creating too much money and credit to too little. Nicholas Ridley was a lone voice in the Cabinet making the case against joining. I wrote a pamphlet describing the possible difficulties. I took the listed company I chaired out of the CBI in protest at the group backing the ERM policy, telling them it was bound to damage business and the rest of the country. And so it proved.

But the ERM disaster was not unique among official advice in the last 50 years. There was the early 1970s secondary banking crash, made worse by the Opec oil price hike. There was the end of 1970s policy depression meant to purge the high inflation that loose monetary policy and Labour's fiscal policy caused. There was the great banking crash of 2008-9, which followed a period of over-easy money when we were told by government that banks could lend far more without bad consequences. These were all boom-bust cycles like the ERM one, all of which harmed us and slowed the longer term growth rate. Treasury orthodoxy has evolved as it has drifted from one bad international fashion to another. If there is a single leaden thread, however, it has been an unwillingness to take money and credit growth seriously, ending in them each time expanding excessively and then contracting too far and too fast in shock at the error.

Today the orthodoxy that needs changing is the one which said it would not be inflationary to carry on creating money and buying bonds. The Treasury throughout the last 13 years ignored inflation in financial assets. It was only a matter of time before asset inflation spread into general inflation. I assume the new team will rightly rule out any more special bond buying. The Treasury also needs to grasp that lurching from excessively easy money as in 2020-21 to excessively tight money is the way to bring on a slump.

Steering the economy to achieve lower future debt ratios when forecasts are often wildly out on tax revenues and inflation is also not a good model. In the last two years, revenues have outperformed the official forecasts, meaning we borrowed a lot less and worried needlessly about the deficit. In the recession which official policy now seems to favour, the opposite is likely to happen with revenues falling short and the deficit rising. The new policy needs to take money and credit seriously. But it also needs to set tax rates that help grow revenue, not stifle it, as well as removing obstacles to growth throughout the private sector, which the old rules failed to do.

Leaving the ERM allowed us to reduce interest rates and get out of the recession it created. Today, we have to see off the recession the Bank is forecasting. That requires new thinking. The only way to work our way out of our present difficulties is to produce more energy, make more, and sell more.

Wokingham remembers

The civic service last night at St Pauls was wonderfully crafted. Varied readings from Winnie the Pooh to Revelations were interspersed with great hymns and Psalms. The Bishop of Reading spoke well, reflecting the essence of service and leadership above politics that the Queen personified. I am very grateful to all who organised it and participated.

All led up to the perfectly timed one minute silence at 8 pm, announced by a commanding and tuneful last post. As we bowed our heads together in grief at loss and with happy memories of the Queens's great life our community was united with common feelings. It was good to have those moments of stillness in an otherwise busy and argumentative world.

All those of us who have the privilege of public service to others can learn much from how our late sovereign carried out her duties.

May she rest in peace.

The state funeral

Royal status cannot protect from death. Today we bid our last farewell to a loved and admired Queen. On her passing so the monarchy lives on, passing to her son. She has left a legacy of how to lead a life of service.

The presence of so many Kings and Queens, Presidents and Prime Ministers from around the world is testimony to the reputation for friendliness and great diplomacy which Elizabeth II enjoyed.

The long procession of so many people to bow their heads to her coffin lying in state in Westminster Hall is proof that her work did not go unmarked or unappreciated.

There is a sense of a passing of an era. She was our national link to the sacrifices and disciplines of life during the Second World War, and a reminder of the hopes she embodied for a peaceful and more prosperous life for many as post war rebuilding got underway. She spoke for us in times of joy and sorrow. Most of us have only known her as our monarch.

She led a Commonwealth that offered support and recognition for countries leaving the Empire. She readily accepted their Heads of State as her equal and made them feel welcome in the special global family of people representing nations.

May her dedication to selfless public service inspire others in public life.

May she rest in peace.